



CORPORATION SERVICE COMPANY

March 1, 2005

Barbara Saddler
Surface Transportation Board
Recordation Office
1925 K Street, N.W., Suite 70
Washington D.C. 20423
(202) 565-1656
(202) 565-9004 – Fax
Barbara.Saddler@stb.dot.gov

RE: 141969-1

Dear Barbara,

Enclosed are two (2) originals of the **Memorandum of Railcar Lease** dated as of August 5, 2004 between the following parties:

Names and address of the following parties:

Lessor: **THE CIT GROUP/EQUIPMENT FINANCING, INC.**
1211 Avenue of the Americas, 20th Floor New York, NY 10036

Lessee: **ENVIRONMENTAL RAIL SOLUTIONS, INC.**
94 Cypress Neck Solutions Lincroft, NJ 07738

A short summary of the document to appear in the index follows:

Memorandum of Railcar Lease between Lessor: **THE CIT GROUP/EQUIPMENT FINANCING, INC.** and Lessee: **ENVIRONMENTAL RAIL SOLUTIONS, INC.** covering 25 mill gondolas with reporting marks and numbers –CEFX 31021– CEFX 31888 - NOT INCLUSIVE.

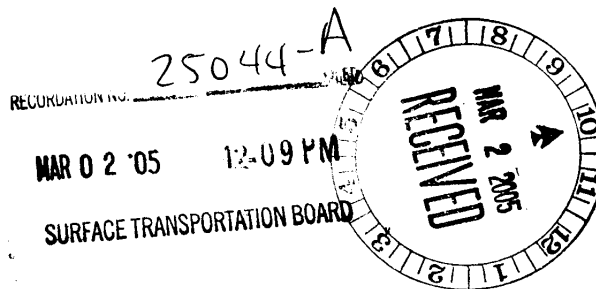
Please file this memorandum as a SECONDARY document to Recordation # 25044 dated 7/8/04 and return one (1) stamped original to my attention. A check covering the filing fee of thirty-two dollars (\$32.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-995-5071 ext. 3813.

Thank you for your prompt assistance.

Sincerely,

April O'Shea
Motor Vehicle Specialist
Corporation Service Company
801 Adlai Stevenson Drive
Springfield, IL 62703
(800) 995-5071 ext. 3813



MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 5TH day of AUGUST, 2004, is made by THE CIT GROUP/EQUIPMENT FINANCING, INC., a Delaware corporation, with an address at 1211 Avenue of the Americas, 20th Floor, New York, New York 10036 (the "Lessor"), and ENVIRONMENTAL RAIL SOLUTIONS, INC., a New Jersey corporation, with an address at 94 Cypress Neck Solutions, Lincroft, NJ 07738 (the "Lessee" and, together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:


WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated as of February 6, 2004 covering certain equipment described therein and with respect to which a Memorandum of Railcar Lease was filed with the Surface Transportation Board ("STB") on JULY 8, 2004 and given Recordation Number 25044.

WHEREAS, the Parties have entered in to an additional Schedule under the Lease and wish to show for the public record the existence of the aforesaid Schedule, the respective interests therein of the Parties and a description of the equipment (the "Equipment") as set for the in **Schedule A** hereto, and accordingly the Parties have caused this Memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

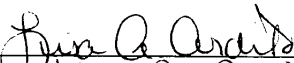
I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessor by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessor. I further declare under penalty of perjury that the foregoing is true and correct.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: 
Name: Richard Latini
Title: Senior Vice President

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessee by authority of its Board of Directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessee. I further declare under penalty of perjury that the foregoing is true and correct.

ENVIRONMENTAL RAIL SOLUTIONS, INC.

By: 
Name: Lisa A. Ardito
Title: President

RECORDATION NO. 25044-1A FILED

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SURFACE TRANSPORTATION BOARD

Schedule A

Number of Cars

25 52'-5'6" sided mill gondola

Equipment Description

1	CEFX	31021
2	CEFX	31024
3	CEFX	31026
4	CEFX	31027
5	CEFX	31033
6	CEFX	31036
7	CEFX	31037
8	CEFX	31039
9	CEFX	31041
10	CEFX	31047
11	CEFX	31048
12	CEFX	31050
13	CEFX	31053
14	CEFX	31056
15	CEFX	31059
16	CEFX	31060
17	CEFX	31061
18	CEFX	31062
19	CEFX	31063
20	CEFX	31064
21	CEFX	31066
22	CEFX	31069
23	CEFX	31072
24	CEFX	31824
25	CEFX	31888